

# Memorandum

MIAMI-DADE  
COUNTY

**Date:** March 3, 2015

Agenda Item No. 10(A)(1)

**To:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor

**Subject:** Resolution approving issuance of Industrial Development Revenue Bonds for Youth Co-Op, Inc. Project by Miami-Dade County Industrial Development Authority

## **Recommendation**

The accompanying resolution is being placed before the Board of County Commissioners (Board) at the request of the Miami-Dade County Industrial Development Authority (IDA). This item approves the issuance of industrial development revenue bonds (Bonds) by the IDA for Youth Co-Op, Inc. (Company) in a principal amount not to exceed \$21,000,000.

Details of the project are included in the accompanying memorandum and exhibits from the Chairman of the IDA.

## **Scope**

The project is located at 7700 West 20 Avenue, Hialeah, FL, which is in Commission District 12 and represented by Commissioner Jose "Pepe" Diaz.

## **Fiscal Impact/Funding Source**

Neither the IDA nor Miami-Dade County has any liability with respect to the repayment of the Bonds.

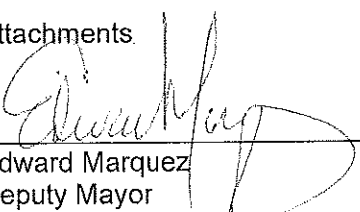
## **Track Record**

Issuance of the Bonds will be conducted and monitored by the Executive Director of the IDA, James D. Wagner, Jr.

## **Background**

TEFRA requires that the Board approve the issuance of industrial development revenue bonds by the IDA after a public hearing has been held either by the IDA or by the Board. For efficiency, the Board has allowed the IDA to conduct the public hearing subject to review and ratification by the Board.

Attachments

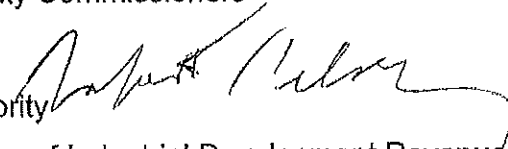
  
Edward Marquez  
Deputy Mayor

# Memorandum



**Date:** March 3, 2015

**To:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**From:** Roberto Pelaez, Chairman  
Miami-Dade County  
Industrial Development Authority 

**Subject:** Resolution approving issuance of Industrial Development Revenue Bonds for  
Youth Co-Op, Inc. project

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## **RECOMMENDATION:**

It is recommended the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for the Youth Co-Op, Inc. project, as detailed in the attached reports.

## **BACKGROUND:**

Review and analysis of the project has been completed by the Authority, County Attorney's Office, and Bond Counsel. The Authority has conducted the federally required public hearing, as detailed in the attached public hearing transcript.

**Youth Co-Op, Inc.**, a Florida not-for-profit corporation, has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed \$21,000,000. The bond issue proceeds will be used to refinance the schools' existing mortgage, provide funding for new classroom construction and cafeteria expansion on the existing land site located at 7700 West 20<sup>th</sup> Avenue, in the City of Hialeah, Florida, and pay certain bond issuance costs. Youth Co-Op, Inc. reports they currently employ 451 individuals agency wide and 113 persons at the charter schools. Completion of the project will provide approximately 9 new job opportunities and ensure the schools will be able to fully meet the needs of their student population for future generations.

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# MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

## TRANSCRIPT OF PUBLIC HEARING

WEDNESDAY, JANUARY 14, 2015

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At 11:00 a.m., the Executive Director of the Miami-Dade County Industrial Development Authority announced that the Authority would proceed to hold a public hearing on the issuance of Industrial Development Revenue Bonds. The following is a substantially verbatim account of the proceedings of this hearing.

The following persons were present:

James D. Wagner Jr. <i>Executive Director</i>	Miami-Dade County Industrial Development Authority	80 SW 8 <sup>th</sup> Street, Ste. 2801 Miami, Florida 33130
Amanda Llovet <i>Chief Financial Officer</i>	Miami-Dade County Industrial Development Authority	80 SW 8 <sup>th</sup> Street, Ste. 2801 Miami, Florida 33130
Cynthia Castillo <i>Assistant to Executive Director</i>	Miami-Dade County Industrial Development Authority	80 SW 8 <sup>th</sup> Street, Ste. 2801 Miami, Florida 33130
Richard Moreno <i>Executive Director</i>	Building Hope – Florida	1225 SE 2 <sup>nd</sup> Avenue Fort Lauderdale, Florida 33316
Maria Rodriguez <i>President</i>	Youth Co-Op, Inc.	7700 West 20 <sup>th</sup> Avenue Hialeah, Florida 33016
Connie Perez-Borroto <i>Director, Research &amp; Development</i>	Youth Co-Op, Inc.	7700 West 20 <sup>th</sup> Avenue Hialeah, Florida 33016



# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**DATE:** March 3, 2015

**FROM:**   
R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 10(A)(1)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 10(A)(1)  
3-3-15

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING THE ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$21,000,000.00 TO REFINANCE EXISTING DEBT AND TO FINANCE CAPITAL PROJECTS FOR THE BENEFIT OF YOUTH CO-OP, INC. FOR PURPOSES OF AND PURSUANT TO SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED

**WHEREAS**, Youth Co-Op, Inc., a Florida not-for-profit corporation (the "Company"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") issue not exceeding \$21,000,000.00 of its Industrial Development Revenue Bonds (Youth Co-Op Project), in one or more series being taxable or tax-exempt (the "Bonds"), the proceeds of which will be used (together with funds of the Company) to: (i) refinance existing indebtedness which financed the Company's Youth Co-Op Charter School and Youth Co-Op Preparatory High School facilities, both located at 770 West 20<sup>th</sup> Avenue, Hialeah, Florida 33016; (ii) finance the construction of new classrooms, a cafeteria expansion, expansion and remodeling of existing buildings and certain other capital improvements at the same location (the foregoing (i) and (ii), collectively, the "Project"); and (iii) pay certain bond issuance costs; and

**WHEREAS**, the Authority intends to issue the Bonds subject to approval by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") and final approval by the Authority of the financing documents for the Project, which is more particularly described in the report prepared by the Executive Director of the Authority (a copy of which is attached hereto as Exhibit A); and

**WHEREAS**, on Wednesday, January 14, 2015, the Authority held a public hearing, notice of which was published on Wednesday, December 31, 2014, in The Miami Herald (a copy of which notice is attached hereto as Exhibit B), for the purpose of giving all interested persons an opportunity to express their views in connection with the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and such public hearing disclosed no reason why the Bonds should not be issued; and

**WHEREAS**, since the Bonds will inure to the benefit of the citizens of Miami-Dade County, this Board desires to approve the issuance of the Bonds for the purpose of complying with Section 147(f) of the Code,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that:

Section 1. The issuance of Industrial Development Revenue Bonds of the Miami-Dade County Industrial Development Authority in an aggregate principal amount not to exceed \$21,000,000.00 in one or more series for the purpose of financing and refinancing the Project, as previously described, is approved.

Section 2. The Bonds and the interest on the Bonds shall not constitute a debt, liability or general obligation of the Authority, the County or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues or other moneys specifically provided by the Company for the payment of the Bonds and neither the faith and credit nor any taxing power of the Authority, the County or of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal or interest on the Bonds.

The foregoing resolution was offered by Commissioner  
who moved its adoption. The motion was seconded by Commissioner  
and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman	
Esteban L. Bovo, Jr., Vice Chairman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 3<sup>rd</sup> day of March, 2015. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

Gerald T. Heffernan



**YOUTH CO-OP, INC.**

**THE CORPORATION**

Youth Co-Op, Inc. (YCI) a Florida not-for-profit 501(c)(3) corporation incorporated in 1973 is located at 7700 West 20<sup>th</sup> Avenue, in the City of Hialeah. YCI was organized for the primary purpose of improving the social and economic conditions of South Florida residents. Youth Co-Op, Inc. reports it achieves this purpose by providing a variety of programs that directly impact South Florida youth, adults, families, and recent immigrants, empowering them through education and employment, and identifying and strengthening their knowledge, skills, talents and abilities. The Company's operational programs include:

**Youth Programs:** Funded by federal, state and local grants, the youth program provides dropout prevention programs, as well as assistance to those who have already dropped out, and crime prevention programs to at risk youth.

**Refugee Programs:** This program serves individuals and families who have fled their countries of origin and have met the United Nations' criteria of having a "well-founded fear of being persecuted for reasons of race, religion, nationality, membership in a particular social group or political opinion." The refugee program service areas, includes Miami-Dade, Broward and Palm Beach counties. YCI provides an array of programs to assist refugees, asylees, and parolees in achieving self-sufficiency to ease the transition into the community. The agency has provided refugee employment services since 1982. In 1997, Youth Co-Op joined the network of the US Committee for Refugees and Immigrants to provide Reception, Placement and Matching Grant Program services to refugees from varied countries. All services are free and available in the languages spoken by those they serve. The Resettlement program assists refugees in translating their strengths, skills and past experiences into work place assets; the Matching Grant program assists in achieving early self-sufficiency without accessing public assistance. Employment and Training programs provide assistance necessary for the successful integration into American society and immigration assistance is also provided in preparation for achieving citizenship.

**Workforce Programs:** Youth Co-Op operates six Career Centers in partnership with the local region's workforce board. Centers are located in Miami-Dade and Monroe Counties. A broad range of specialized services and resources are available and accessible to job seekers and employers. Services are funded by various federal grants that target specific populations and needs. These include unemployment and re-employment assistance to the general public, economically disadvantaged adults, dislocated workers, and families in need of temporary assistance. Training and support services are offered depending on the eligibility and on the specific goals set for each client.



**Charter Schools:**

In 1998, the Company established the Youth Co-Op K-8 charter public school and established the Youth Co-Op Preparatory charter high school in 2012. The schools are co-located at 7700 West 20<sup>th</sup> Avenue in the City of Hialeah. Youth Co-Op Charter School whose current charter expires in June 2023 is a Title I public school-of-choice and teaches using state-of-the-art teaching methods and small class sizes and reports they have been recognized by the governor, won numerous awards, and earned an "A" from the State of Florida's Accountability Program achievement evaluation tool, the "FCAT" for the 2013-2014 school year during which time they had an enrollment of 744 students which has increased to 847 students for the 2014-2015 school year. Youth Co-Op Preparatory Charter High School is a college preparatory charter school providing state-of-the-art facilities, high academic standards, and highly qualified teachers. The school received a "B" rating for the 2013-2014 school year during which time they had an enrollment of 120 students which has increased to 165 students for the 2014-2015 school year. The current charter expires in June 2023.

The schools report they earned a letter grade "A" for the K-8 and a "B" for the high school under FCAT for 2013-2014 and ranked among the top public Combination Elementary and Secondary schools in Miami-Dade County. Youth Co-Op, Inc. reported revenues for fiscal year 2013 approximated \$32.8 million.

Year Open	School Name	County	Address	Grades Served	Enrollment 2014-2015
1998	Youth Co-Op Charter School	Miami-Dade County	7700 West 20 <sup>th</sup> Avenue Hialeah, Florida 33016	K-8	847
2012	Youth Co-Op Preparatory High School	Miami-Dade County	7700 West 20 <sup>th</sup> Avenue Hialeah, Florida 33016	9-10	165

**THE PROJECT**

Youth Co-Op, Inc. is requesting Industrial Development Revenue Bond financing assistance in an amount not to exceed \$21,000,000 to facilitate the refinancing of the schools' existing mortgage and to provide funding for new classroom construction on the existing land site and cafeteria expansion. Completion of the project will permit enrollment to increase from the current 1,012 students to 1,300 students.

Elements of the proposed project include:

1. Refinance existing mortgage: ----- \$11,400,000
2. New Construction - approximate 49,000 sq. ft. classroom facility to be connected to existing school which will provide:----- \$ 7,000,000
  - 44 additional classrooms
  - Increase in existing cafeteria area from 1,300 sq. ft. to 2,000 sq. ft.

### FINANCIAL SUFFICIENCY

Youth Co-Op, Inc. has provided audited financial statements for the fiscal years ended June 30, 2013, 2012 and 2011.

A review of the submitted financial and related information indicates:

<u>SOURCE OF FUNDS</u>		<u>USE OF FUNDS</u>	
Bond Issue Proceeds*	\$21,000,000	Refinance Existing Mortgage	\$ 11,400,000
		New Construction	7,000,000
		Debt Service Reserve	1,955,000
		Underwriter's Fee	255,000
		Bond Issuance Expenses	390,000
<b>TOTAL</b>	<b><u>\$21,000,000</u></b>	<b>TOTAL</b>	<b><u>\$21,000,000</u></b>

\* Any costs related to the bond issue and development of the project which cannot be paid out of bond proceeds will be borne by school.

Information relative to the proposed financial structure includes:

Financial Structure:	Corporate Debt.
Security:	First mortgage on all assets financed with bond proceeds.
Guarantee:	Corporate Guarantee and pledge of revenues from school operations.
Marketing:	Limited public offering in accordance with Authority's guidelines.

### LEGAL

Under the 1986 Tax Act, facilities for 501(c)(3) corporations remain eligible for financing with tax-exempt Industrial Development Revenue Bonds provided that the project is part of the corporation's normal course of business. Bonds issued for the benefit of a 501(c)(3) corporation are also exempt from the requirement of being included under the state bond volume cap.

If accepted for processing by the Authority, the project will be referred to the County Attorney's Office and Bond Counsel for review and comment.

### ECONOMIC IMPACT

Youth Co-Op, Inc. reports they currently employ 451 individuals agency wide and 113 persons at the charter schools. Completion of the project will provide approximately 9 new job opportunities and ensure the schools will be able to fully meet the needs of their student population for future generations. Other economic benefits include added support to the local construction industry.



**MIAMI-DADE COUNTY  
INDUSTRIAL DEVELOPMENT AUTHORITY  
TEFRA/PUBLIC HEARING**

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested by Youth Co-Op, Inc., a Florida not-for-profit corporation (the "Borrower"), to issue its Industrial Development Revenue Bonds (Youth Co-Op, Inc. Charter Schools Project), Series 2015 in an aggregate principal amount not to exceed \$21,000,000 (the "Series 2015 Bonds").

The proceeds of the Series 2015 Bonds shall be used, together with funds provided by the Borrower, to: (i) refinance existing indebtedness which financed the Borrower's Youth Co-Op Charter School and Youth Co-Op Preparatory High School facilities, both located at 7700 West 20th Avenue, Hialeah, Florida 33018; (ii) finance the construction of new classrooms, a cafeteria expansion, expansion and remodeling of existing buildings and certain other capital improvements at the same location (i) and (ii), collectively, the "Project"; and (iii) pay certain bond issuance costs. The Project will be owned and operated by the Borrower.

The Series 2015 Bonds shall not be a debt, liability or obligation of the Authority nor of Miami-Dade County, Florida, nor of the State of Florida, nor of any political subdivision thereof, but shall be payable solely from payments to be made by the Borrower derived from the Borrower through its charter school operations or the security instruments entered into in connection with the Series 2015 Bonds.

Please take note that the Executive Director of the Authority (as its hearing officer) will hold a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, on the nature and location of the Project and any associated issues regarding the issuance of the Series 2015 Bonds, at the Brickell City Tower, 80 SW 8th Street, Suite 2801, Miami, Florida, on Wednesday, January 14, 2015 commencing at 11:00 a.m. or shortly thereafter, at which time any person may be heard. The Authority will submit a transcript of the statements made at the hearing to the Board of County Commissioners, Miami-Dade County, Florida, which must approve or disapprove the issuance of the Series 2015 Bonds.

**Executive Director**

We will now conduct the public hearing on the proposed issuance of Industrial Development Revenue Bonds for the capital project located in Miami-Dade County.

This public hearing is being conducted pursuant to requirements of the Federal Tax Equity and Fiscal Responsibility Act of 1982. The Act requires that in order for the interest on Industrial Development Revenue Bonds to be exempt from Federal Income Tax, such proposed bonds must be approved by either a voter referendum or by an applicable elected legislative body after a public hearing following reasonable public notice.

We have received a copy of a notice advising that the Industrial Development Authority will hold a public hearing on the proposed issuance of Industrial Development Revenue Bonds to finance all or a portion of the capital costs associated with the project mentioned in that notice. The notice appeared in The Miami Herald on Wednesday, December 31, 2014, page 4B.

We will now commence the public hearing. The hearing will be conducted in the following format: First, a brief synopsis of the proposed bonds and the project will be provided. Second, testimony from anyone desiring to speak will be heard. Anyone wishing to speak should give their name and address for the record.

The project for consideration is an Industrial Development Revenue Bond issue for Youth Co-Op, Inc., in an aggregate principal amount not to exceed \$21,000,000. The bond proceeds will be used, together with funds provided by the Borrower, to refinance existing indebtedness which financed the Borrower's Youth Co-Op Charter School and Youth Co-Op Preparatory High School facility, located at 7700 West 20th Avenue, Hialeah, Florida; to finance the construction of new classrooms, a cafeteria expansion, remodeling of existing buildings and certain other capital improvements; and pay certain bond issuance costs. The Project will be owned and operated by the Borrower.

**Executive Director**

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

**Executive Director**

Testimony will now be heard by anyone desiring to speak.

**Executive Director**

Let the record reflect that Richard Moreno, Maria Rodriguez, and Connie Perez-Borroto, are in attendance representing Youth Co-Op, Inc. Is there anything you would like to add?

**Representatives**

No.

**Executive Director**

This concludes the public hearing scheduled for today. This project, together with a transcript of today's public hearing, will be forwarded to the Miami-Dade County Board of County Commissioners at a regular meeting, at which time the Commission will approve or disapprove the proposed issuance of Bonds by the Miami-Dade County Industrial Development Authority.